

## ECONOMIC EVENTS IN UTAH COUNTY

**Home sales across Utah** held steady during the first six months of 2003, dropping only slightly while the average sales price increased. The number of homes sold totaled 10,331, down from 10,408 units a year ago. The average sales price increased to \$169,734, up \$1,041 from the same period last year, according to the Wasatch Front Regional Multiple Listing Service. Along the Wasatch Front, fewer sales were reported in Salt Lake, Utah and Weber counties. However, those same counties saw small increases in average sales prices, suggesting Utah's housing market is holding steady.  
(The Deseret Morning News, 7/11/03)

One of Payson's largest private employers has announced it will close its factory and **lay off all 125 workers**. Dave Baldridge, spokesman for **Knaack Manufacturing Co.**, cited slumping market conditions. The factory, which opened in 1997, produces job-site and industrial storage equipment.  
(The Salt Lake Tribune, 7/11/03)

Some of Utah's **small towns** have more than doubled in **population** since the decennial census was taken in the spring of 2000, but the state's capital city experienced a slight loss in population, according to a census report. The fastest growth in Utah during the two-year period was found in small, newer developments, where residents can get more bang for their buck. Utahns have sought places within commuting distance to their jobs but where homes and land are more affordable.  
(The Deseret Morning News, 7/10/03)

Areas of the state where **large discount stores are concentrated** fared best last year in terms of direct taxable sales growth, Utah Tax Commission data show.  
(The Salt Lake Tribune, 6/27/03)

Both the Salt Lake City-Ogden and Provo-Orem areas fell significantly in the **Milken Institute's Best Performing Cities List**, which ranks the 200 largest metropolitan areas based on their ability to create jobs and increase salaries from 2001 to 2002. The Salt Lake City-Ogden area fell to No. 121 in this year's report from No. 60 last year while the Provo-Orem area fell from No. 56 to No. 103.  
(The Salt Lake Tribune, 6/25/03)

The Utah Associated Municipal Power Systems (UAMPS) received final approval from the state's Division of Air Quality to begin building a new **140-megawatt, natural gas-fired power plant** in Payson. Construction of the \$100-million plant is scheduled for completion in June 2004.  
(The Salt Lake Tribune, 6/24/03)

Rural counties such as Piute, San Juan and Sanpete benefit more from the redistribution of **state tax resources** than urban counties surrounding Salt Lake City, according to the Utah Foundation. Of the 29 state counties, Sanpete County residents receive \$4.35 for every tax dollar they send to state coffers while only 12 cents is returned to Summit County residents. Except for Utah and Weber counties, urban counties and those surrounding Salt Lake City are net payers in that they provide more in state tax revenues than they receive in services and resources.  
(The Deseret Morning News, 6/16/03)

High building fees, exorbitant land prices and fewer entry-level housing starts are creating an **affordability gap for many Utah households**, according to a new University of Utah

study by James Wood, interim director of the University's Bureau of Economic and Business Research. The report tracked new residential construction of 52 Utah cities from 1997 to 2002.

(The Deseret Morning News, 6/7/03)

A new U.S. Census Bureau report reveals that Utah was one of the nation's pacesetters in the **growth of home values** during the 1990s. But, according to the Office of Federal Housing Enterprise Oversight, Utah went from leading the nation in home value growth for five straight years in the '90s to dead last the past two years -- with a growth rate of just 1.6 percent. Nationally, home values have increased at 6 percent during the same span. In an accompanying survey of 245 cities with populations of more than 100,000, Salt Lake City was ranked 75th, Provo 78th and West Valley City 103rd in median home value.

(The Salt Lake Tribune, 5/30/03)

Three Utah **Food 4 Less stores** — in Provo, Kearns and Spanish Fork — **will close by June 14**, company officials say. Last year Fleming Companies Inc., which owns 29 Food 4 Less grocery stores in four states, announced it would either sell or close all of its retail stores. Once everything sells in the three Utah stores, they will close, leaving about 100 people unemployed.

(The Deseret Morning News, 5/30/03)

Utah Interlinx and Tonaquint Center Development Inc. have announced a joint venture to bring a **redundant fiber optic network to southern Utah**. The area currently relies solely on a fiber optic system operated by Qwest Communications International Inc. that consists of a buried cable between St. George and Salt Lake City.

(The Deseret Morning News, 5/26/03)

Provo-based **Novell Inc.**, which makes software used to manage computer networks, said its second-quarter loss narrowed from a year ago, but it still must lower expenses and will **lay off an as-yet-to-be determined number of employees** by the end of July. About 2,000 of Novell's 5,800 worldwide employees work out of the company's Provo campus. Employees at Novell in Provo escaped the company's extensive layoffs 18 months ago.

(The Salt Lake Tribune, 5/23/03)

**Knaack Manufacturing Co.** is closing. The Payson Business Park on the west side of I-15 will lose a major player when Knaack shuts down its 350,000-square-foot manufacturing plant in September and moves its operations back to its home base in Crystal Lake, Ill. Most of the company's 120 employees will lose their jobs. About 40 percent of the employees face layoffs in July as the company begins to cut back. The phase-out will continue until September, when the plant will close. Knaack manufactures truck, van and construction jobsite storage equipment.

(The Deseret News, 5/16/03)

Gov. Mike Leavitt announced a three-year, \$5 million plan to study **transportation needs** through increasingly congested Utah County.

(The Salt Lake Tribune, 5/13/03)

**Smith's Food & Drug Stores** will open a new store near Eagle Mountain on Tuesday, May 20. The new store, located at the corner of Redwood Road and U-73, is 58,000 square feet. It will include general merchandise and food, a flower shop, pharmacy and one-hour photo processing. Zions Bank also will operate a branch out of the store. Smith's operates 127 stores from its Salt Lake offices, including 44 in Utah.

(The Deseret News, 5/13/03)

Forbes Magazine has ranked the **Provo/Orem** metropolitan area as the **sixth best place** in the nation **"for business and careers."** The Forbes annual survey focused on income,

job growth, and the cost of doing business — which includes the prices of labor, energy, taxes and office space.

(The Deseret News, 5/12/03)

**Champion Safe Co.**, the Provo business that lost more than 100 of its employees in a February immigration raid, is considering following its deported workers and moving to Mexico.

(The Salt Lake Tribune, 5/6/03)

A **Utah National Guard water purification unit and an Air Guard company** have been activated, and more than 500 combat engineers are on their way to Iraq to help in the rebuilding effort.

(The Salt Lake Tribune, 5/1/03)

**Home sales** in several Utah counties plummeted in April, according to data from the Wasatch Front Regional Multiple Listing Service. About 165 Utah County homes sold in April, down from 242 homes in April 2002.

(The Salt Lake Tribune, 4/29/03)

The Spiegel Group announced that it plans to close 60 **Eddie Bauer** stores — including one in **The Shops at Riverwood mall in Provo** — in an effort to reorganize during bankruptcy. The stores will remain open pending approval of the plan by a bankruptcy court. The Downers Grove-based apparel and home furnishings retailer filed for Chapter 11 protection in March.

(The Deseret News, 4/29/03)

**Occupancy rates** in Utah County for **march** were 52.1 percent according to the Rocky Mountain Lodging Report. Statewide, occupancy rates held steady at 63.1 percent.

(The Deseret News, 4/24/03)

More than 75 **road-building and maintenance projects**, with total costs hovering at \$500 million, will be completed in the state during the upcoming 2003 construction season. **Projects for Utah County: I-15** — crews will replace pavement on a three-mile segment between Lehi and the Salt Lake County line. A bridge rehabilitation project will reduce traffic to one lane in each direction across several bridges in the Spanish Fork area. Work will begin in April. **U.S. 6** — The highway will be restricted to one lane in each direction, from 9 p.m. to 6 a.m., along Main Street in Santaquin, for repaving. Between mileposts 196-200 in Spanish Fork Canyon, crews will complete the construction of new passing lanes, begun last year. **U.S. 89 (State Street)** — A \$2 million project will begin in June from 800 North in Orem to 1100 West in Lehi. Another project will involve nighttime lane restrictions around 800 North in Provo. **U.S. 189** — Crews will overlay asphalt between 300 South in Spanish Fork to the junction with U.S. 6. **U-73** — Installation of a mile-long, uphill passing lane west of Lehi, between the Ranches development and Redwood Road.

(The Deseret News, 4/20/03)

**Geneva Steel** said it is moving forward with its plan to sell all of its assets, including equipment, real estate, emissions credits and water rights. To that end, the Vineyard-based steel maker that has been idle since late 2001 announced an agreement with Casey Equipment Corp. of Pittsburgh to help it pursue buyers for the equipment to either be operated in place or relocated.

(The Salt Lake Tribune, 4/2/03)

**Nu Skin Enterprises Inc.** is one of those companies riding China's unleashed economic tiger. In January, the Provo-based maker of beauty and nutritional products opened 105 retail centers in five provinces across the country.

(The Deseret News, 03/27/03)

**Central Utah Multi-Speciality Clinic** held a groundbreaking ceremony last week at the construction site of its new building at 1101 N., 500 West, Provo. The new cardiology and oncology center's construction is phase one of a four-phase project over five years, costing \$35 million. Phase one is due to be completed in October, with an open house in December 2003.

(The Daily Herald, 3/20/03)

**Micron Technology Inc.**, which operates a product testing facility in Lehi, has had net losses in eight straight quarters. Last month said it would shut some divisions and cut 10 percent of its work force, including about 70 jobs in Utah.

(The Salt Lake Tribune, 3/19/03)

State lawmakers' decision to whack nearly \$100 million from the Centennial Highway Fund has clouded Utah County leaders' normally sunny outlook. "It's short-term budget relief for the state," Darrell Cook, executive director of the Mountainland Association of Governments (MAG), said this week. "But it caused Utah County long-range problems that need addressing." According to a MAG study -- "**Utah County Transportation: A Landscape of Congestion**" -- traffic along major chunks of Interstate 15 in Utah County will be "in failure" soon with the number of cars exceeding capacity.

(The Salt Lake Tribune, 3/14/03)

USCO Logistics of Hamden, Conn., said it will hire as many as 300 people to work in a **Spanish Fork distribution center** it will open in April. USCO, which provides warehousing and distribution services, will occupy about half of one of Utah's largest warehouse and distribution facilities. Located on about 120 acres, the 1-million-square-foot building once was occupied by catalog retailer Fingerhut.

(The Salt Lake Tribune, 2/8/03)

A Missouri software company announced it will relocate its corporate headquarters to Provo. **Innovative Software Technologies Corp.**, with 165 employees, had been consolidating all of its administrative and accounting functions to Utah since September.

(The Deseret News, 1/31/03)

The Utah Public Service Commission has approved the construction of a **140-megawatt gas-fired power plant in Payson**. The Utah Associated Municipal Power Systems has entered into a contract with Colorado Energy Management of Lafayette, Colo., for construction and operation of the \$90 million plant. It will produce enough electricity to power 70,000 typical homes.

(The Deseret News, 1/16/03)

The \$1.6 billion, 10-year **reconstruction of Interstate 15 in Utah County**, which authorities had proposed to begin in 2008, could be delayed anywhere from five to 15 years because of a lack of funding, said Darrell Cook, executive director of Mountainland Association of Governments.

(The Daily Herald, 1/14/03)

The Orem City Council approved the construction of a **\$50 million high-rise development**, similar to the Gateway project in Salt Lake, on about eight acres of blighted land along State Street. Some portions of the development will reach seven stories, giving Midtown Village the tallest building in Orem. Midtown Village, 320 S. State, will include condos, shops, restaurants and offices. Construction could begin as early as this summer, dependent on financing, site plan approval and how well units pre-sell.

(The Deseret News, 1/8/03)